

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY COMBINED
FINANCE COMMITTEE AND
OPERATIONS AND FACILITIES COMMITTEE MEETING**

April 26, 2016

A meeting of the Finance Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on March 29, 2016, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Jeff Hirsh, Stan Israel, Patrick Butler and Paul MacDonald.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Pam Bacon, Amanda Wilmouth and Bob Lauro Rhode Island Convention Center and Dunkin' Donuts Center; Dan Schwartz the VETS; Rick Hall, Keough Construction; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Hirsh called the meeting to order at 10:10 AM. Mr. Hirsh asked for approval of minutes of the last meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Israel it was unanimously

VOTED: to approve the minutes of the March combined Finance and O&F Meeting.

GARRAHY COURTHOUSE GARAGE

Rick Hall began his report on the Garrahy Courthouse Garage Project.

Mr. Hall noted that Keough Construction and Walker Parking Consultants are looking some guidelines on the look of the garage. There was discussion on reach of the Capitol Center Commission. Mr. McCarvil said that this project falls their jurisdiction. He said that the DOWNCITY District Commission might have more input. Mr. Hall said that we received a matrix from Walker Parking Consultants with questions that will need to be answered. Conversation took place regarding elevators and the need for more than two. Mr. MacDonald said that he would ask Larry's opinion and take his advice on how many we need. Mr. MacDonald asked about security for the facility and who would be responsible for paying the guards. Mr. Hall stated that the number originally proposed has been adjusted. Mr. Lepore noted that he is examining the project to see operationally how this will work. He said that we have some alternatives. Talk turned to technology for card readers and transponders, pay stations, etc. Mr. McCarvill said that we have questions for the Court and will schedule a meeting with Joe Baxter. Mr. Hall reported that Walker will have 10% design for review next month. Mr. McCarvill said that we will know the elevation and we will have seen the schematic design in May. He asked what happens with the budgeting at that point. Mr. Hall stated that we have sufficient to move forward with this stage of the project. Mr. Lepore asked that at what point would Bonnie

Nickerson sign off on some alternatives. Mr. Hall said that will be discussed with he in May. Mr. McCarvill noted that the legislation calls for the I 195 Commission to sell three parcels which they have not done. Therefore they have asked for the legislation to be changed. The question has been asked if the length of the bond issuance will be 20 or 25 years. Mr. MacDonald said that we will depend on the experts to let us know which will be best for the taxpayers. Mr. Lepore reminded the commissioners that the courthouse may move leaving more spaces for those enterprises occupying the I 195 parcels.

VETS Capitol Projects

Mr. Schwartz reported that staff from the Complex have been working on the temperature control equipment for the piano room. He noted that by having this done with in house personnel there will be significant savings. Mr. Schwartz said that the issue is almost wrapped up. Mr. Israel asked about the insurance issue. Mr. Schwartz said that they are still working on it. Mr. Butler said that it is his opinion that DOA should be responsible for the deductible. Mr. Leach stated that it is his understanding that the units did not fail but they were not serviced as often as they should have been. Mr. Schwartz noted that DOA now has a preventative maintenance contract. Mr. Butler suggested that in the future if something needs repair it should be fixed and worry about who will pay for it later. Mr. Israel agreed saying that we need to be pro-active. Mr. Leach said

that DOA should be given the opportunity to repair before we step in. Mr. Butler asked if we could estimate the amount saved by using our own crew. Mr. Lepore said that we can get that number for this job because we have what was bid for the job.

Mr. McCarvill presented the financial statements in the new format. He noted that they are still a work in progress and if the Commissioners would like to have anything changed or added we will be happy to accommodate. Mr. McCarvill repeated that Ms. Bacon and the staff had worked hard to put this together but there may be some areas that need improvement. Mr. McCarvill reported that for the month of March the Convention Center's net income was 166,146 to budget and \$124,366 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$934,270 to budget and \$2,037,342 to the previous year. Mr. McCarvill stated that the Convention Center is having a good year. He said that food & beverage and parking are showing significant improvement. Mr. McCarvill continued with the income statement for the Dunk. He said that for the month of March the Dunkin' Donuts Center's net income variance was (\$297,963) to budget and (\$98,989) to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was (\$263,122) to budget and (\$181,831) to the prior year. Mr. McCarvill reported that for the month of March the VETS net income variance was (\$17,137) to budget and (\$108,710) to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$145,461) to budget and (\$6,684) to the previous year. Mr. McCarvill

reported that the Convention Center Authority's net income variance for the month of March was \$34,880 to budget and (\$6,258) to the prior year. Year to date net income for the Authority was \$155,541 to budget and a variance of (\$38,665) to the prior year. Mr. McCarvill stated that the Convention Center Authority has very little income and all expenses are salary and wages that have been reduced and expenses that is mostly to support the PWCVB and the Downtown Improvement District and Wayfinding. Mr. McCarvill said that consolidated net income variance for the month of March was \$115,074 to budget and (\$89,591) to the prior year. Consolidated net income for the year was \$824,691 to budget and a variance of \$1,810,973 to the prior year. Discussion ensued regarding the new format. Mr. Israel noted that the new financial statement format is a big improvement. Comments were made concerning the backup pages and if those numbers are carried forward to the front page. Ms. Bacon pointed out where those numbers fall on the income statement.

Mr. Lepore reported that parking rates increased and he expects that there will be more parking revenue in the next few months reflecting more Hasbro employees and Projo parkers. Mr. Lepore also noted the increase in food & beverage net income. He said this is due to more aggressive sales recommendations. Mr. Lepore stated that he is being very cautious regarding the prospects for next year.

Mr. Butler asked is we lost the Beer Show. Mr. Lepore said that we

did but the show was not as popular as in the past. Mr. Lepore said that the show moved to Mulligans Island. Mr. Hirsh noted that beer is not what it once was. He said the trend is in rum and whiskey.

Discussion ensued regarding the types of business and events that we would fit nicely in our facilities that we should be chasing. Mr. McCarvill stated that he likes trade shows.

Mr. Lepore stated that the NCAA Basketball Tournament has not been settled yet. He said that when those numbers are finalized in March the financial statements will look better. Mr. Israel said that we need to remind the public that we are here for the economic impact that we have on the City and State.

Mr. Schwartz reported that the VETS continues to improve attendance at events. He said that unfortunately our financial statements reflect the deductible portion of the insurance claim due to the pipe burst.

Mr. Lepore reported that the City is looking for all opportunities to increase revenue. To that end they have mentioned a tax on parking and also an amusement tax. Mr. Lepore said that these would have a detrimental impact on us and we must pay attention.

Mr. McCarvill introduced Chris Kearns from the State Office of Energy. Mr. Kearns stated that he had looked at the information that we supplied. He noted that there are several options available to us

and he would be more than willing to assist us with an RFP. Mr. Kearns said that we should put everything in the RFP including on and off site. Mr. Lepore stated that the roof might be an issue because of weight. Mr. Kearns responded that the bidder will consider the condition of the roof in their bid. Mr. Butler asked about selling power back. Mr. Kearns said that he doubts that we could generate enough excess power to cover usage and sell anything back. Mr. McCarvill asked about National Grids ability to affect distribution. Mr. Kearns noted that he had not heard of any problems.

Mr. Kearns reported that we don't need an expert to draft the RFP. He stated that we should issue an RFP as soon as possible that includes energy usage and price per kw hour to get the best and most accurate bids. Mr. Kearns suggested that we specify all conditions regarding the roofs including the needs and restrictions. Also stipulate that our energy program is up for renewal in 2017. Mr. Lepore asked if it would make sense to team up with another quasi. Mr. Kearns said that we could do a partnership. Mr. Hirsh asked Mr. Kearns thoughts on which is better, solar or wind. Mr. Kearns said that there are a lot of variables and it would be difficult to say which will be more beneficial to you. Mr. Kearns said that he thinks we will get some very interesting proposals without partnerships. He cautioned that it will be well over a year before any installation happens and we should stipulate that we should have power by 2017. Mr. Kearns noted that Gene Boisselle of East Providence had recently released an RFP. Mr. Kearns said that the State's goal is to be 15% renewable in 2018 and growing.

Mr. Hirsh asked if there was any other business for the Finance Committee and O& F Committee. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Israel and seconded by Mr. Butler it was unanimously

VOTED: to adjourn at 12:12 PM.